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## CENTRAL INTELLIGENCE AGENCY

## INFORMATION REPORT

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COUNTRY	Hungary	REPORT		25X1
SUBJECT	The State of Hungarian Railroads	DATE DISTR.	2 February 1954	
		NO. OF PAGES	3	
DATE OF INFO.		REQUIREMENT NO.	RD	
PLACE ACQUIRED		REFERENCES		25X1

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THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.  
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(FOR KEY SEE REVERSE)

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1. Rolling Stock.

- a. No official of the Hungarian railroads (MAV), not even the head of the rolling-stock department, is in a position today to estimate the total number of serviceable units of rolling stock available. The main reasons for this are twofold: first, all statistics are false; secondly, reports on the condition of rolling stock are inaccurate, partly as a result of inadequate examination, mainly owing to the reluctance of responsible local officials to report damage, etc.
- b. In carrying out his main function of arranging for the availability of rolling stock as required, the head of the rolling-stock department relies in the first place on lists obtained from the various marshaling and freight yards showing serviceable rolling stock available in each district. However, these lists are frequently so inaccurate that in practice it is advisable to allow for at least a 20% margin of error. To supplement his information, the head of the rolling-stock department employs (unofficially) his own personal trusted agents in the main marshaling and freight yards. These he selects from the so-called "Wagon-Meister", who alone can report with accuracy on the number and degree of serviceability of the rolling stock.
- c. The condition of all rolling stock in Hungary (except for a few "show" coaches and freight cars) is lamentable. Although shortages of essential raw materials and inadequate repair facilities contribute to this, the main factor responsible for the sorry state of the railroads is the lack of responsibility and general negative attitude of all railroad officials, workers, and employees.

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## 25 YEAR RE-REVIEW

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d. The following are typical examples of this negative attitude of officials and workers:

- (1) Accidents frequently occur in the assembling of trains owing to the speed with which it must be carried out. When they do occur the responsible official should immediately report them and withdraw the damaged coach or truck for repair. However, he is so afraid of censure that his one concern is to hush up the accident and to see that the damaged rolling-stock leaves his yard as soon as possible. He will therefore include it in trains being assembled, hoping that the final breakdown will occur in some district other than his own.
- (2) Recently about 100 freight cars were returned by a local repair shop, allegedly completely renovated. On their first trip a large number of them literally "fell apart". On investigation it was discovered that the screws used for attaching the boards had been hammered (instead of screwed) in, except for the last 2-3 turns.
- (3) Recently the head of the rolling-stock department was instructed to make available sufficient cars for transporting the sugar-beet harvest to the sugar factories. Relying on reports received from local freight yards he drew up his plan and issued his orders. Although he had allowed for a 20% margin of error, he discovered that this was completely inadequate. Certain of the cars had previously been used for transporting hot coke from Komlo and the floor boards had been burnt out. In the case of others, the floor boards were entirely rotten. Nobody, however, had reported the true condition of the cars to him.

e. In spite of the miserable condition of the rolling stock, it is estimated that the Hungarian railroads are being called upon today to put up a performance 400% higher than in normal peace times. This means that the wear and tear of rolling stock is four times greater than the normal.

f. To overcome the shortage of rolling stock, the maximum use is made of foreign cars temporarily on Hungarian territory. Thus, Czech cars which have delivered freight to Hungary are used for local Hungarian transport requirements until the Czechs protest sufficiently loudly at the delay in returning them. This practice, however, cuts both ways, as the Czechs will similarly use Hungarian rolling stock temporarily on Czech territory.

## 2. The New "Consumer Goods" Program.

a. At the moment there is considerable optimism among senior Hungarian railroad officials that the present miserable condition of the rolling stock will shortly be improved.

[redacted] large credits are shortly to be made available for improvements in the passenger and freight transport services. This will result in the improvement of the rolling stock, etc., which will directly benefit users of the railroads.

b. [redacted] However, it is known that the building industry has also succeeded in being included in the new program, and the fact that work has already started, and is being rushed ahead, on providing workers with new housing accommodation, has given rise to hopes [redacted]

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3. Tank Cars.

The Hungarians have recently bought a [ ] number of secondhand tank cars which originally belonged to the Hungarian D.Ny.B.V. Railroad Company (sic). Their condition was such that several broke down [ ] on their way to Hungary. However, credits are available to put them into serviceable condition immediately after they reach their destination. Tank cars are a priority requirement at the moment, as local oil production has increased so rapidly that the existing pipe lines are inadequate.

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4. Soviet Control.

The Hungarian railroads are today completely controlled by the Soviets, in the sense that no important decision is taken unless it has the consent and blessing of the Russians. This Soviet influence will even extend to the time-table of main-line services. It is, however, organized in such a way that it is indirect and invisible. So far as the public and lesser railroad officials are concerned, the railroads are only operated by the Hungarians. It is only the senior officials who are constantly aware of the extent and ubiquity of Soviet influence.

5. Organization Methods.

In the administration of the railroads a technique has been devised whereby specific orders are seldom issued, but indications only of requirements are made known. Thus, the competent official will be told by his superiors that economies should be effected in the passenger traffic on a certain line. It is then left to him to decide how this vague directive shall be carried out in practice, and he alone (and not his superiors) therefore becomes responsible for the actual practical steps taken. In brief, the initiative comes from above; the practical step from the competent official. By this means the highest officials can escape responsibility for mistakes made, while the subordinate officials have to take the utmost precautions to ensure that they make no mistakes.

6. War Preparations.

The general opinion among senior railroad officials is that there is no imminent likelihood of war. This opinion is based largely on their own knowledge of the hopeless state of the railroads. It is reinforced by their awareness of Soviet mistrust of the Hungarians. On the other hand, certain measures are taken from time to time which indicate that the highest authorities are planning for war. Thus:

- a. In June 1953, instructions were issued for working out plans for the decentralization of repair facilities. In particular the planners were told to take into account the possibility of a sudden disruption of the normal railroad repair facilities, and the need to replace these by outside facilities.
- b. In August 1953, the rolling-stock department and main marshaling and freight yards were instructed to work out detailed plans for the sudden relief of important junctions by the redistribution of standing traffic, etc.

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